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Growth Zone - a new offering of cross-regional cooperation to support high-growth companies in Sweden

*Workshop 1
"Rethinking STP services"*

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Executive Summary:

In Sweden the leading region within innovation performance is located in the Mid-East area around the capital Stockholm, with Gothenburg and Malmoe regions in second places. The dynamics in the region around Stockholm is strong, extremely innovative and well connected with the world.

The region is well known for being fearless when it comes to thinking new and has a high level of expertise. This reflects in the many successful start-ups and multinational companies that are integrated with EU and the globe. Despite this, and striving for excellence, the region has identified areas that need improvement. One challenge lies within creating conditions and tools that allow the most promising growth companies to grow and generate employees within the country.

We hope to share our experiences and inspire to further development of new alliances and new tools.

The project Growth Zone

The 2016 edition of the European Innovation Scoreboard has named Sweden as the EU's innovation leader, followed by neighbors Denmark and Finland, then Germany and the Netherlands. Sweden's overall innovation performance was rated above the EU average. The European Commission's ranking provides an assessment of the strengths and weaknesses of research and innovation performance in the countries studied.

The project Growth Zone is located in one of the most innovative areas of Sweden with a climate for start-ups and new ideas that is very positive. Growth Zone's approach to partnerships and companies is future oriented, very fearless and innovative – this is all needed. It takes creativity to build tools and concepts that includes both market strategy and financial solutions. Most of all, to create powerful partnerships between science parks and incubators that will benefit the start-ups and innovative SMEs.

Smart entrepreneurs with promising business ideas does not have muscles enough to establish themselves, most of all they lack investment capital and channels to international markets. If these "brains" could be given the additional support it would benefit the growth further, not only of the company, but of the region in total.

These “brains” need to be identified at an early stage so that additional support can be provided before a brilliant business idea is lost. Improvement is also needed in utilizing the resources that universities and the big high-tech groups have and to create partnerships through smart specialization and the expertise of the region's actors and environments.

Growth Zone – cross-regional collaboration between science parks and incubators

The identified potential regarding additional support to growth companies and start-ups was torn down into a project – Growth Zone. This is the foundation for identifying and supporting growth companies, to create new methods and tools, to build strong collaborations between science parks and incubators – and of course other channels that can be beneficial. Growth Zone acts within the entire regional innovation system and connects it efficiently and demand-driven depending on the actual entrepreneur or company.

The offering to growth companies with the project Growth Zone started 2015-04-01 and is set to end 2018-06-08.

What distinguishes this project from the actor’s ordinary activities is first the cooperation and specialization between organizations and across county borders in East Mid Sweden and secondly the focus on companies with the largest innovation and growth capacity.

Expected results

The project is expected to contribute to the creation of acceleration within growth companies, each one with a turnover of 100 MSEK (around 10,5 M€).

Growth Zone, that has become very important, is expected to result in new, common tools, approaches and offerings to the most promising innovative growth companies in Mid-East Sweden. The critical mass of resources and enterprises created through close cooperation and the cross-regional approach is expected to make the region the best in Sweden – not only within innovations, but now also when it comes to developing new and existing growth companies. The project will establish a common innovation-and business support infrastructure that the growth companies will fluently benefit from, regardless of the area of residence.

During implementation of the project we are working to establish a common code of conduct that will be anchored and applied to each involved organization to ensure the long-term, continuous learning and development.

The project's activities will create conditions for innovative environments through customized methods for collaboration and quality assurance, to be able to help a larger number of companies much faster than today.

Growth Zone is well aware of sustainability according to Agenda 2030 and aims to be inclusive. The project provides greater opportunities for women and refugees to run a successful, fast growing and innovative business. To provide women with equal access to opportunities is ours, as well as Agenda 2030's goal. This will be achieved through a structured and deliberate approach where diversity (including gender equality) are integrated in both the counseling and business development. The project continuously works with a "non-discrimination-approach" as a model in dealing with partnerships, ideas and companies.

Furthermore, the project is expected to ensure that a larger number of companies than today will work with an integrated sustainability perspective. When giving support, Growth Zone creates a process to create understanding and to ensure that companies and people with ideas have a clear perspective of integrating sustainability into their business ideas.

Just like Agenda 2030 we understand that technological progress is the foundation of efforts to achieve environmental objectives. Several of the "high-tech" companies are small and benefits from support to reach international markets, here is the co-operation between Science Parks and Incubators a great advantage as a complete "package" of support and tools can be put together.

Expected long term effects

- An established and changed way of working with innovative business development and public-and venture capital in Mid-East Sweden.
- Increased regional growth based on larger capability to innovate and take it to market.
- Through smart specialization and cooperation between the actors, Mid-East Sweden will have a stronger ability to create more innovative fast-growing companies.
- Increased power based on the region's diversity and cross over co-operations
- Increased ability to invest in regional priorities of the the Europe 2020 Strategy, such as research and development.

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- A larger number of entrepreneurs and companies that are innovators and that collaborates within a Quintuple Helix perspective, with successful “core co-operations” between science parks and incubators.

Results so far

While the project is not ended, we believe our mid-project analysis tells us that we will reach the project goal. The project is also gaining national exposure and priority from the Swedish Agency for Economic and Regional Growth.

Halfway through the project, the following accomplishments indicate that we are on target:

- A new broad offering towards growth companies
- A common growth support offer
- A course “The Growth Circle”, where CEO’s and management take part in 3-4 half-day sessions focused on topics relevant for a growth journey, like sales, recruiting, organization and fundraising. The starting point is a need analysis of the companies, and there after we put together the program running over a year. The entrepreneurs get good support in growing their businesses as well as a network with entrepreneurs facing the same challenges. (Appendix 2)
- An accelerator offers. The accelerator offer is aimed for the companies that has started growing and needs an extra push. The program is specially tailored for each and every company taking part of the accelerator program.
- An increased collaboration between science parks and incubators across the region. We do things together, for real. With the companies in focus, we take help from another. All of a sudden, the network of innovation actors has widened. And more over, the help you can find can contribute to company growth.
- Spontaneous growth initiatives that come bottom-up from the actors
- A strong interest among growth companies in participating in the Growth Zone offering

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- Actors in the different regions are creating directed offerings together within the project framework, which hasn't been done before. For example, Strängnäs Business Park initiated an event called Passion for Business addressing women entrepreneurs. Science Park Mjärdevi initiated the digitalization day, which were carried out together with Strängnäs Business Park. Vreta Kluster initiated debating diversity in media, which gathered all the actors, and the article got a good reach in local media in our different regions. Uppsala has initiated a finance day, where all the actors will get involved. The region of middle East Sweden is getting smaller – and closer.
- We are creating opportunities for growth companies to get in contact with established enterprises. At the yearly conference hosted by our industry association, Swedish Incubators & Science Parks in April, 2017, we joined forces together with the project Ignite, run by the Incubators LEAD, Sting and Things, aiming at matching startups to large international corporations. Corporate Governance is trending at the moment, and the conference gave us a great opportunity to contribute to the match-making event. More than 180 meetings were carried out during two days, matching 18 large corporations to more than 50 startups, a lot of the arising from growth zone.

Example of collaborative efforts that are either planned or have been conducted across the regions:

- Diversity seminars
- Broad seminars focusing on digitization and automation
- Technology vendor's seminars to learn about cutting edge workflows
- Road trips to large enterprises that need innovation support from smaller fast growing companies with innovative products
- Second and third rounds of the Growth Circle program

Initially, we put a lot of effort into finding a good cross-regional collaboration. The ground structure with science parks and incubator at the core is very important to be able to create a model with a "flow". As soon as all parts was in place we could gain speed and are counting on accelerating our support functions even more over the coming years to strengthen the Mid-East region of Sweden.

The project is a learning process that we develop continuously. To be able to pick up every new idea and use it for the future we work within our own “accelerator group”. Execution is important and to put the new ideas to work. Our group is also building relationships with incubators in USA, Asia and EU as we have identified the importance of this collaboration. We also provide specialists for accelerating growth companies.

We have identified a few problems, such as mentality. Some of the companies with potential does not want to participate in activities directed towards internationalizing, as they feel this is “taking a risk”.

This narrows the networks around the companies and slows down growth.

The following processes have been initiated:

- Process for submission to growth-support at Growth Zone.
- Process and development of functional strategic models, environments and partner networks.
- Prospecting processes.
- Processes for concrete corporate initiatives.
- Evaluation and learning through ongoing project meetings and corporate dialogues.
- Marketing process.
- Inspiration and influx process - implement and plan activities.
- Regional activities and invitations.
- Board Circle – a part of growth support.
- Talent attraction for new arrivals (integration).
- Dare to Grow (Våga Växa).
- Academic connections and workshops.
- Industries – we have started to create a process directed to industrial companies for improving the internal processes.

in East Middle Sweden.